



## THE SUPREME COURT OF APPEAL OF SOUTH AFRICA

### MEDIA SUMMARY OF JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

**From:** The Registrar, Supreme Court of Appeal

**Date:** 8 April 2025

**Status:** Immediate

***The following summary is for the benefit of the media in the reporting of this case and does not form part of the judgments of the Supreme Court of Appeal***

*Tarentaal Centre Investments (Pty) Ltd v Beneficio Developments (15/2024) [2025] ZASCA 38 (8 April 2025)*

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Today the Supreme Court of Appeal (SCA) struck from the roll, with costs, an application for reconsideration and, if necessary, variation, of a decision refusing leave to appeal. The reconsideration application was referred by the President of the SCA for oral argument in terms of s 17(2)(f) of the Superior Courts Act 10 of 2013 (the Act).

Tarentaal Centre Investments (Pty) Ltd (Tarentaal) is part of the Nova Group of Companies (Nova Group). The Nova Group, decided to pay debenture holders through Tarentaal, was unable to meet its financial obligations and consequently entered into various loan agreements with Beneficio Developments (Pty) Ltd (Beneficio). The Village Mall Investments (Pty) Ltd (Village Mall), bound itself as surety and co-principal debtor for the due performance of Tarentaal's contractual obligations. The parties agreed to interest at a rate of 1 percent% per week, capitalised monthly for a period of 3 months. When Tarentaal defaulted on payment, Beneficio instituted civil action against it and Village Mall for an order compelling payment of the outstanding amount. The Gauteng Division of the High Court, Pretoria (the high court) found that Tarentaal and Village Mall failed to discharge the onus of showing that the interest rate was usurious and accordingly found in favour of Beneficio. Their application for leave to appeal was unsuccessful and they subsequently applied to the SCA for leave to appeal in terms of s 17(2)(b) of the Act, which was dismissed on 12 December 2023.

The issue for determination before the SCA was whether the interest rate charged in respect of various loan agreements concluded between the parties, was usurious.

The SCA, taking into account the prior business relations between the parties, found that the common cause facts established that the loan agreements were bona fide commercial transactions, voluntarily concluded by business entities who had made full disclosure of all the relevant factors. The SCA

consequently held that Tarentaal and Village Mall failed to discharge the onus to show reasonable prospects that a court of appeal will find that the transactions were against public policy and that they should therefore not be enforced. In the result, the SCA held that they failed to establish exceptional circumstances in terms of s 17(2)(f), nor have they shown that there are reasonable prospects of success on appeal and accordingly struck the application from the roll with costs.

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